

SENATE BILL 1700

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 3, Part 9, relative to the allocation of fuel  
taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-3-901(b), is amended by deleting the subsection and substituting instead the following:

(b) Revenues from the tax imposed by § 67-3-201 shall be apportioned for distribution in the following order:

(1) Amounts required to be paid to the debt service fund pursuant to title 9, chapter 9;

(2) Twenty-eight and six-tenths percent (28.6%) of total taxes collected to the various counties of the state on the basis set out in § 54-4-103;

(3) Fourteen and three-tenths percent (14.3%) of total taxes collected to the various municipalities, as defined by § 54-4-201, on the basis set out in § 54-4-203; and

(4) Any funds remaining after the distributions set out in subdivisions (b)(1)-(3) to the highway fund. There shall be accumulated and set apart within the fund such amounts as required, not to exceed one million five hundred thousand dollars (\$1,500,000) during each of four (4) succeeding fiscal years, which shall be available for carrying out the utility relocation loan program, established in subsection (j).

SECTION 2. Tennessee Code Annotated, Section 67-3-901(c)(2), is amended by deleting the subdivision and substituting instead the following:

(2) One cent (1¢) of such revenues shall be apportioned as follows:

(A) Sixty-six and two-thirds percent (66 2/3%) of such revenues collected to the various counties of the state on the basis set out in § 54-4-103; and

(B) Thirty-three and one-third percent (33 1/3%) of such revenues collected to the various municipalities, as defined by § 54-4-201, on the basis set out in § 54-4-203.

SECTION 3. Tennessee Code Annotated, Section 67-3-901(f)(2), is amended by deleting the subdivision and substituting instead the following:

(2) Revenue from one cent (1¢) of such increases in taxes shall be apportioned as follows:

(A) Sixty-six and two-thirds percent (66 2/3%) of such revenues collected to the various counties of the state on the basis set out in § 54-4-103; and

(B) Thirty-three and one-third percent (33 1/3%) of such revenues collected to the various municipalities, as defined by § 54-4-201, on the basis set out in § 54-4-203.

SECTION 4. Tennessee Code Annotated, Section 67-3-901(j)(1), is amended by deleting the language "subdivision (b)(5)" and substituting instead the language "subdivision (b)(4)".

SECTION 5. Tennessee Code Annotated, Section 67-3-901(k), is amended by deleting the subsection.

SECTION 6. Tennessee Code Annotated, Section 67-3-905(a), is amended by deleting the subsection and substituting instead the following:

(a) The tax imposed pursuant to §§ 67-3-202, 67-3-1113, and 67-3-1309 shall be allocated and distributed in the following order and manner:

(1) Twenty-four and seventy-five hundredths percent (24.75%) to the counties of the state to become a part of the county highway fund in the following manner:

- (A) Fifty percent (50%) equally among all counties;
  - (B) Twenty-five percent (25%) on the basis of population; and
  - (C) Twenty-five percent (25%) on the basis of area;
- (2) Twelve and thirty-eight hundredths percent (12.38%) to municipalities, as defined in § 54-4-201, on the basis set out in § 54-4-203; and
- (3) Sixty-two and eighty-seven hundredths percent (62.87%) to the highway fund.

SECTION 7. Tennessee Code Annotated, Section 67-3-906(a), is amended by deleting the subsection and substituting instead the following:

- (a) One hundred percent (100%) of the proceeds from the collection of the taxes imposed by §§ 67-3-203 and 67-3-205 shall be allocated to and deposited in the highway fund.

SECTION 8. Tennessee Code Annotated, Section 67-3-908(a), is amended by deleting the subsection and substituting instead the following:

- (a) The tax imposed by chapter 203 of the Acts of 1983 shall be distributed as follows:

- (1) Twenty-eight and twenty-eight hundredths percent (28.28%) to the counties to become a part of the county highway fund in the following manner:
  - (A) Fifty percent (50%) equally among all counties;
  - (B) Twenty-five percent (25%) on the basis of population; and
  - (C) Twenty-five percent (25%) on the basis of area;
- (2) Fourteen and fourteen hundredths percent (14.14%) to municipalities, as defined in § 54-4-201, on the basis set out in § 54-4-203; and
- (3) Fifty-seven and fifty-eight hundredths percent (57.58%) to the highway fund.

SECTION 9. Tennessee Code Annotated, Section 67-3-908(b)(2), is amended by deleting the subdivision and substituting instead the following:

(2) Revenue from one cent (1¢) of such increases in taxes shall be apportioned as follows:

(A) Sixty-six and two-thirds percent (66 2/3%) of such revenues collected to the various counties of the state on the basis set out in § 54-4-103; and

(B) Thirty-three and one-third percent (33 1/3%) of such revenues collected to the various municipalities, as defined by § 54-4-201, on the basis set out in § 54-4-203.

SECTION 10. This act shall take effect July 1, 2016, the public welfare requiring it.